



SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-540, OMB Control No. 3235-0600]

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From:
Securities and Exchange Commission
Office of FOIA Services
100 F Street, NE
Washington, DC 20549-2736

Extension: Rule 611

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (“PRA”) (44 U.S.C. 3501 et seq.), the Securities and Exchange Commission (“Commission”) has submitted to the Office of Management and Budget (“OMB”) a request for approval of extension of the previously approved collection of information provided for in Rule 611 (17 CFR 242.611) under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) (“Exchange Act”).

On June 9, 2005, effective August 29, 2005 (see 70 FR 37496, June 29, 2005), the Commission adopted Rule 611 of Regulation NMS under the Exchange Act to require any national securities exchange, national securities association, alternative trading system, exchange market maker, over-the-counter market maker, and any other broker-dealer that executes orders internally by trading as principal or crossing orders as agent, to establish, maintain, and enforce written policies and procedures reasonably designed to prevent the execution of a transaction in its market at a price that is inferior to a bid or offer displayed in another market at the time of execution (a “trade-through”), absent an applicable exception and, if relying on an exception, that are reasonably designed to assure compliance with the terms of the exception. Without this collection of information, respondents would not have a means to enforce compliance with the Commission’s intention to prevent trade-throughs pursuant to the rule.

There are approximately 366 respondents¹ per year that will require an aggregate total of approximately 21,960 hours per year to comply with this Rule. It is anticipated that each respondent will continue to expend approximately 60 hours annually: two hours per month of internal legal time and three hours per month of internal compliance time to ensure that its written policies and procedures are up-to-date and remain in compliance with Rule 611. The estimated cost for an in-house attorney is \$396 per hour and the estimated cost for an assistant compliance director in the securities industry is \$349 per hour. Therefore the estimated total internal cost of compliance for the annual hour burden is as follows: $[(2 \text{ legal hours} \times 12 \text{ months} \times \$396) \times 366] + [(3 \text{ compliance hours} \times 12 \text{ months} \times \$349) \times 366] = \$8,076,888.$ ²

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view background documentation for this information collection at the following website: www.reginfo.gov. Find this particular information collection by selecting "Currently under 30-day Review - Open for Public Comments" or by using the search function.

¹ This estimate includes 17 national securities exchanges that are equity securities exchanges. The estimate also includes an estimated 318 firms that are over-the-counter market makers or exchange market makers, as well as an estimated 31 alternative trading systems that trade NMS stocks.

² The total cost of compliance for the annual hour burden has been revised to reflect updated estimated cost figures for an in-house attorney and an assistant compliance director. These figures are from SIFMA's Management & Professional Earnings in the Securities Industry 2017, modified by Commission staff for an 1800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead.

Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to

(i) www.reginfo.gov/public/do/PRAMain and (ii) David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o Cynthia Roscoe, 100 F Street, NE, Washington, DC 20549, or by sending an e-mail to: PRA_Mailbox@sec.gov.

Dated: August 3, 2020.

J. Matthew DeLesDernier,
Assistant Secretary.

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